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U. S. DEPT. OF AGRICULTURE
MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA

Volume 11

August 1966

SEP 30 1966

Number 1

Released Pursuant to §1090.27(j) and §1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

TELEPHONE NUMBER CHANGE

The telephone company has notified this office that our telephone number will be changed effective September 18, 1966. The new number will be:

Telephone: 892-5722 Area Code: 615

There is no change in office location or mailing address.

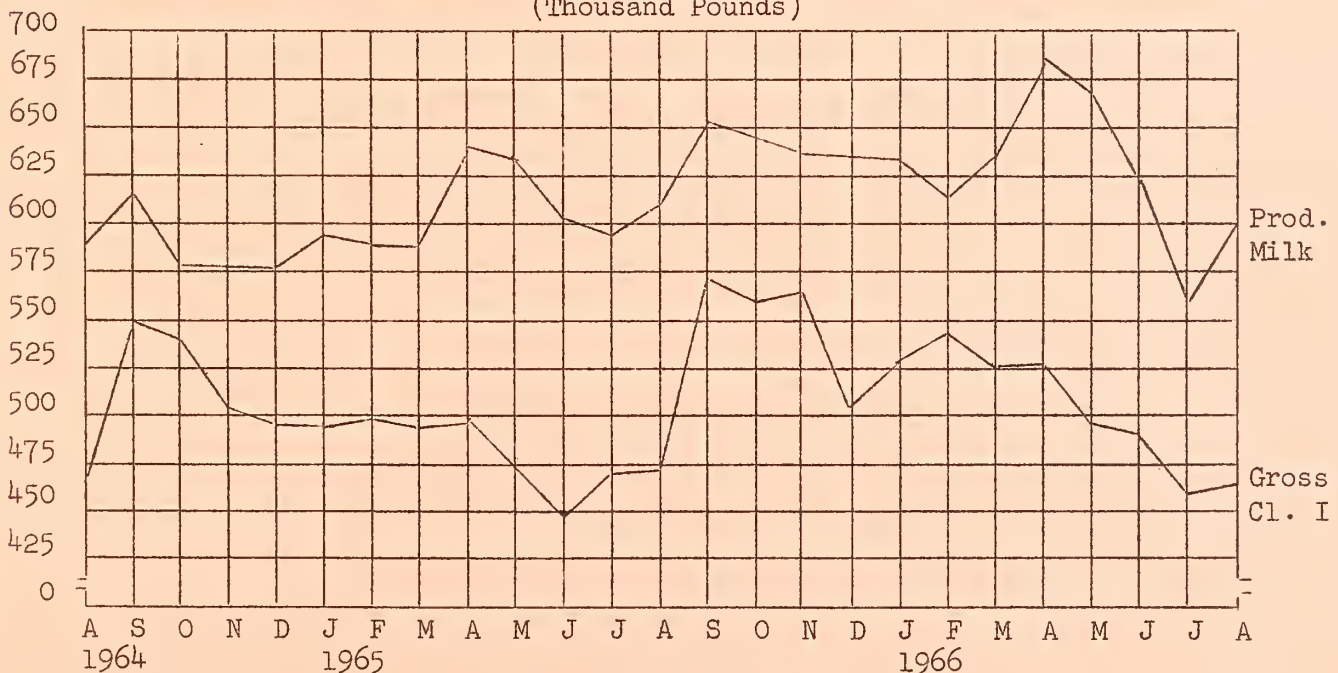
MARKET SUMMARY AUGUST 1966

The Order MINIMUM producer uniform price is \$5.27 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 9.0 cents for each one-tenth of one percent above or below 3.5 percent butterfat. This is a producer uniform price increase of 88 cents per cwt. over August 1965.

During August, 76.5% of the total producer milk was priced in Class I at \$5.84 per cwt. with a butterfat differential of 9.3 cents and 23.5% in Class II at \$3.49 per cwt. with a butterfat differential of 8.4 cents. The daily average use of Gross Class I milk increased 1.2% compared with July 1966 and decreased 1.5% compared with August 1965.

Daily average delivery of milk from producers was 602,478 pounds in August 1966, an increase of 43,494 pounds per day compared with July 1966 and a decrease of 9,429 pounds compared with August 1965. Percentage-wise, August deliveries increased 7.8% compared with July 1966 and decreased 1.5% compared with August 1965.

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(Thousand Pounds)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Aug. '66 Over Aug. '65	Aug. 1966	July 1966	Aug. 1965
Number of Plants (Pool and Non-Pool)		9	9	11
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	- 1.5	602,478	558,984	611,907
Other Source	- 6.5	19,446	37,340	20,797
Other Federal Orders	- 78.7	5,149	10,207	24,202
Total Milk Receipts	- 4.5	627,073	606,531	656,906
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	- 5.5	354,678	353,639	375,266
Fluid Skim	+ 56.5	33,226	29,405	21,227
Buttermilk	- 0.6	40,051	41,449	40,289
Flavored Milk and Drink	+ 2.0	15,152	14,446	14,852
Fluid Cream (Sweet and Sour)	+ 11.9	2,903	2,934	2,595
Other (Shrinkage, Inventory, etc.)		1,886	681	4,885
Transfers to Non-Pool Plants		19,772	19,424	15,560
Total Class I Milk	- 1.5	467,668	461,978	474,674
Class II Uses:				
Ice Cream Mixes		53,450	65,497	51,584
Cottage Cheese		33,564	38,179	19,644
Powdered and Condensed Milk		31,810	6,504	31,906
Livestock Feed and Skim Dumped		6,081	7,292	6,264
Shrinkage Class II		8,792	9,199	10,889
Other (Butter, Inventory, etc.)		4,246	10,068	12,139
Transfers to Non-Pool Plants		21,462	7,814	49,806
Total Class II Milk	- 12.5	159,405	144,553	182,232
Class I Pounds in Marketing Area	0.0	282,521	283,239	282,384
Class I Pounds Outside Marketing Area	- 3.7	185,147	178,739	192,290
Gross Class I Butterfat Pounds	- 2.1	16,557	16,302	16,919
Gross Class II Butterfat Pounds	- 10.3	6,986	6,205	7,790
Total Butterfat Pounds	- 4.7	23,543	22,507	24,709
% Producer Milk of Gross Class I		128.8	121.0	128.9
% Producer Milk priced in Class I		76.5	80.6	75.7

SEPTEMBER 1966 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

Per \$ 1090.51(a)	Sept. '66	Aug. '66	Sept. '65
Basic Formula	\$4.26	\$4.05	\$3.25
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.14)	0.04	(0.18)
Class I Price, 3.5% Butterfat	\$5.87	\$5.84	\$4.82
Supply-Demand Comparison: 1st and 2nd preceding months: July and August			
Supply: Lbs. Producer Milk (July 17,328,501 and Aug. 18,676,829)			36,005,330
Demand: Lbs. Net Class I Milk (July 14,216,173 and Aug. 14,368,648)			28,584,821
Utilization Percentage: Producer milk divided by Class I			126
Standard Utilization Percentage: Range 115-119			119
Net Deviation Percentage: Utilization minus Standard Utilization			plus 7
Supply-Demand Adjustment: 2 cents x 7 percentage points			minus \$0.14

Since the supply in relation to the demand is more than the desired standard, the price is decreased 14 cents per hundredweight (2 cents x 7 percentage points).

COMPUTATION OF PRODUCER UNIFORM PRICE

AUGUST 1966	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		14,497,732	3.540		
Less Other Source		210,595	2.551		
Producer Milk Class I	76.5	14,287,137	3.554862	\$5.891022	\$ 841,658.38
Gross Class II		4,941,543	4.382		
Less Other Source		551,851	0.393		
Producer Milk Class II	23.5	4,389,692	4.883987	4.652549	204,232.57
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,676,829	3.867252		\$1,045,890.95
Add Fractional Adjustment					.01
Add Value of Overage					83.80
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		80,586			3,540.46
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,404.12
TOTAL VALUE AT TEST		18,757,415	3.858991	\$5.634675	\$1,056,919.34
Less Test over 3.5% @ 9.0¢ per point		18,757,415	.358991	.323092	60,603.71
TOTAL UTILIZATION VALUE AT 3.5%		18,757,415	3.5	\$5.311583	\$ 996,315.63
Less Producer-Settlement Fund Reserve		18,757,415		.041583	7,799.90
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		18,757,415	3.5	\$5.27	\$ 988,515.73

AUGUST 1966 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 9.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.82	3.6	\$5.36	4.2	\$5.90	4.8	\$6.44	5.4	\$6.98
3.05	4.865	3.65	5.405	4.25	5.945	4.85	6.485	5.45	7.025
3.1	4.91	3.7	5.45	4.3	5.99	4.9	6.53	5.5	7.07
3.15	4.955	3.75	5.495	4.35	6.035	4.95	6.575	5.55	7.115
3.2	5.00	3.8	5.54	4.4	6.08	5.0	6.62	5.6	7.16
3.25	5.045	3.85	5.585	4.45	6.125	5.05	6.665	5.65	7.205
3.3	5.09	3.9	5.63	4.5	6.17	5.1	6.71	5.7	7.25
3.35	5.135	3.95	5.675	4.55	6.215	5.15	6.755	5.75	7.295
3.4	5.18	4.0	5.72	4.6	6.26	5.2	6.80	5.8	7.34
3.45	5.225	4.05	5.765	4.65	6.305	5.25	6.845	5.85	7.385
3.5	5.27	4.1	5.81	4.7	6.35	5.3	6.89	5.9	7.43
3.55	5.315	4.15	5.855	4.75	6.395	5.35	6.935	5.95	7.475

MILK SAMPLES TESTED - Producer Fresh Samples 5,206 - Handler Finished Products 198.

MILK BASE RULES

The following rules apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
 1. All base transfers shall be signed by the person transferring base and the person receiving base.
 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Aug. '65	\$4.39	-	-	7.4¢	\$4.96	7.7¢	\$2.65	7.0¢
Sept.	4.58	-	-	7.8	4.82	7.9	3.30	7.2
Oct.	4.63	-	-	7.8	4.88	8.1	3.33	7.2
Nov.	4.85	-	-	8.0	5.09	8.2	3.35	7.3
Dec.	4.73	-	-	8.0	5.14	8.2	3.36	7.3
Jan. '66	4.82	-	-	7.8	5.22	8.2	3.22	6.8
Feb.	4.87	-	-	7.6	5.18	7.7	3.01	7.1
Mar.	4.89 ^{2/}	\$5.00	\$3.04	7.8	5.33	8.0	3.08	7.3
Apr.	4.85 ^{2/}	5.06	3.00	7.8	5.45	8.2	3.04	7.2
May	4.79 ^{2/}	4.97	3.02	8.0	5.45	8.2	3.06	7.3
June	4.87 ^{2/}	5.01	3.08	8.0	5.45	8.3	3.12	7.6
July	5.28 ^{2/}	5.44	3.24	8.4	5.767 ^{4/}	8.6	3.28	8.2
Aug.	5.27	-	-	9.0	5.84	9.3	3.49	8.4
Sept.	-	-	-	-	5.87	9.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS				Basic Formula \$-cwt-3.5%
	4 Tenn.	Butter	4 Tenn.	Chi. 92°	Chi. Area	Minn/Wisc.	
	Milk Mfg.	Powder	Milk Mfg.	Butter	Powder	Mfg. Milk	
			\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%	
Aug. '65	2.65	3.25	3.000	61.03	14.31	3.25	3.25
Sept.	2.72	3.30	3.081	62.22	14.21	3.29	3.29
Oct.	2.75	3.33	3.106	62.89	14.31	3.34	3.34
Nov.	2.83	3.35	3.194	63.27	14.42	3.39	3.39
Dec.	2.90	3.36	3.269	63.45	14.31	3.47	3.47
Jan. '66	3.01	3.22	3.350	59.33	14.54	3.47	3.47
Feb.	3.01	3.32	3.363	61.80	14.59	3.58	3.58
Mar.	3.08	3.39	3.450	63.40	14.81	3.68	3.68
Apr.	3.04	3.48	3.400	62.80	16.02	3.64	3.64
May	3.06	3.55	3.425	63.54	16.70	3.65	3.65
June	3.12	3.65	3.500	65.99	16.81	3.82	4.00 5/
July	3.28	4.02	3.688	71.19	18.83	4.05	4.05
Aug.	3.49	4.17	3.913	73.05	19.63	4.26	4.26

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}			Deliveries Per			Prod. Milk Test
	No. Hdlrs.	Total Receipt	Class I Use	Class I Use	Total Delivery	Base Delivery	No. Prod.	Farm-Prod.	--Pounds Base Exc.	
Aug. '65	11	656,906	474,674	463,031	611,907	-	661	926	- -	3.87
Sept.	11	693,671	572,696	560,352	655,522	-	661	992	- -	3.93
Oct.	11	675,580	560,737	553,074	647,590	-	660	981	- -	4.14
Nov.	11	661,614	566,311	561,329	637,439	-	667	956	- -	4.20
Dec.	11	660,074	506,784	501,638	635,260	-	666	954	- -	4.23
Jan. '66	11	662,874	531,241	526,225	634,748	-	664	956	- -	4.20
Feb.	11	648,797	546,032	534,700	616,699	-	663	930	- -	4.22
Mar.	11	671,086	526,847	517,608	637,348	600,154	660	966	909 57	4.06
Apr.	11	726,873	528,830	522,390	686,157	617,814	653	1,051	946 105	3.93
May	11	709,820	498,267	492,037	669,259	606,628	646	1,036	939 97	3.95
June	11	664,459	492,255	477,148	624,721	579,064	642	973	902 71	3.90
July	9	606,531	461,978	450,482	558,984	520,301	601	930	866 64	3.89
Aug.	9	627,073	467,668	460,875	602,478	-	602	1,001	- -	3.87

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I^{4/} Weighted Average - July 1-4 Price \$5.61 and July 5-31 Price \$5.79^{5/} July 1-4, Basic Formula was Minn/Wisc. Price \$3.82